



Wisconsin School Funding Policy in Context

EdBuild presentation to the Wisconsin Blue Ribbon Commission
on School Funding

June 4, 2018

- EdBuild is a nonpartisan, 501c3 nonprofit. *Our mission is to bring common sense and fairness to the way states fund public schools.*
- We divide our work into two discrete work streams: National Voice and State Engagement
 - **National Voice:** We elevate the national dialogue around the inequities created by current school finance systems.
 - **State Engagement:** We work directly with states to help rethink and modernize public school funding systems.
- Our primary strategy when engaging with states is to make funding simpler, fairer, more transparent, & reflective of student needs.

Types of Funding Formulas

Student-Based Formulas estimate a total amount needed for each average pupil and then adjust that amount for students in different need categories.

Resource-Based Formulas are driven by estimated cost of particular inputs (salaries, benefits, materials, etc.).

Program-Based Formulas are composed of discrete funding allocations ("categorical grants") whose use is largely restricted to particular programs.

Types of Funding Formulas: Key Features

Student-Based Formulas

- Inherently responsive to changes in student demographics
- Flexible at the district and school levels
- Responsive to changes in pedagogical methods
- Calculation is clear and transparent

Resource-Based Formulas

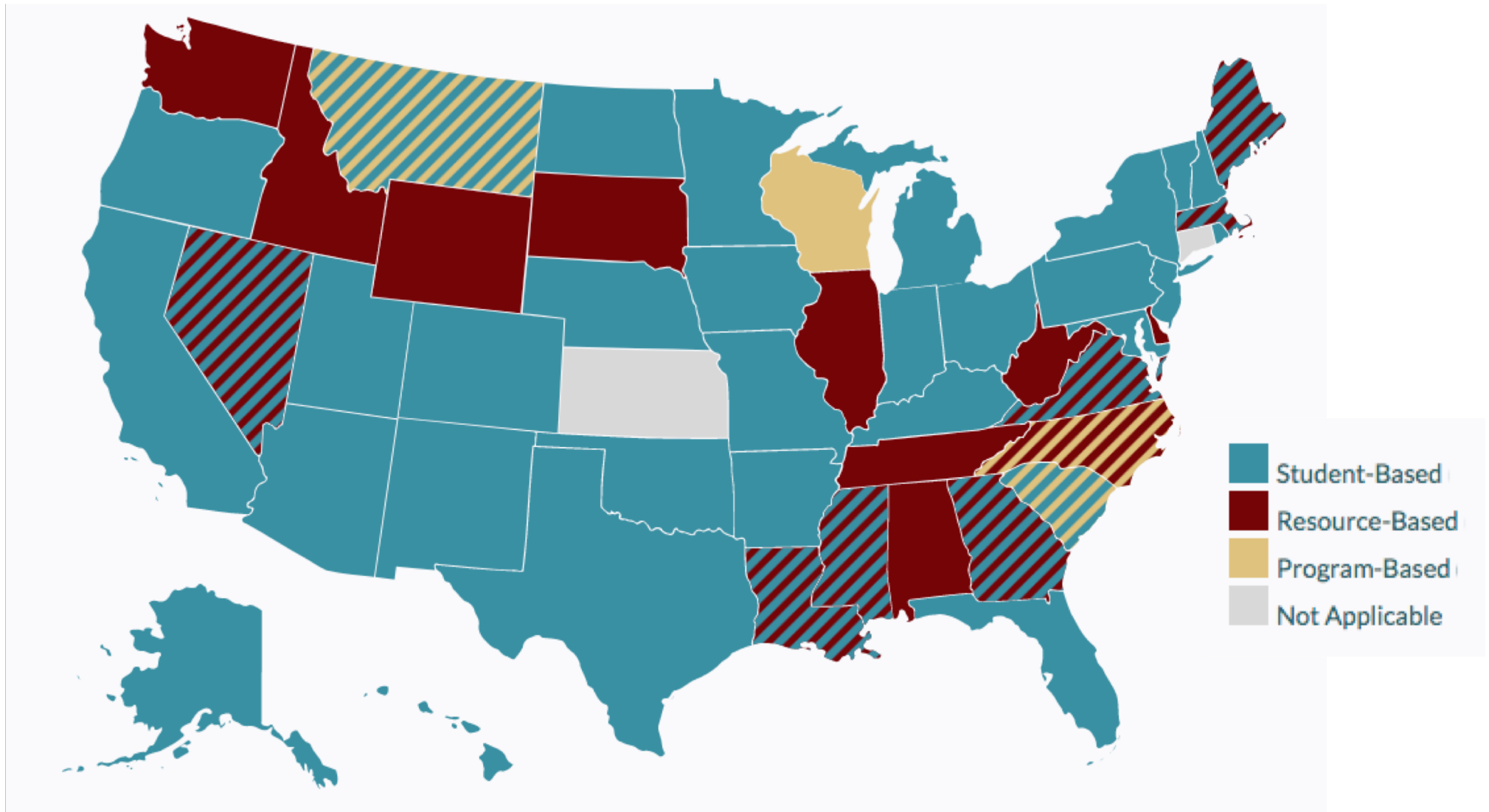
- Reflect a particular, frozen-in-time vision of education
- May include more limited-use funds
- Can be responsive or nonresponsive to changes in student demographics, depending on design

Program-Based Formulas

- Least flexible way of funding schools
- Least responsive to changes in pedagogical methods

Types of Funding Formulas: A National View

Wisconsin is the only state in the country with a primarily program-based funding formula.



Funding for Students: Base Amount

National

- 35 states use a per-pupil base amount in their funding calculations.
- These base amounts are a starting point: Student counts are multiplied by the base amount, which can be adjusted upward for high-need students.
- Just 13 states, including Wisconsin, have a funding formula without a per-pupil base amount.

Wisconsin

- No per-pupil base amount
- Schools are funded not through student-driven calculations, but through many discrete program-focused allocations.
- The state also provides a small per-pupil amount on top of program-based funding.

Funding for Student Characteristics: Poverty

National

- 32 states provide extra money for low-income students in the form of either:
 - A weight applied to the base amount (24 states)
 - A per-pupil dollar increase (8 states)
- Just 7 states, including Wisconsin, provide this funding primarily in the form of limited-use program funding.

Wisconsin

1. Achievement Gap Reduction (AGR)
2. Student Achievement Guarantee in Education (SAGE)
3. Aid to High-Poverty Districts

**ALL FUNDED BY/SUBJECT TO
DISCRETE APPROPRIATIONS**

Funding for Student Characteristics: English-Language Learners

National

- 33 states provide extra money for low-income students in the form of either:
 - A weight applied to the base amount (25 states)
 - A per-pupil dollar increase (8 states)
- Just 9 states, including Wisconsin, provide this funding primarily in the form of limited-use program funding.

Wisconsin

1. Bilingual and multicultural aid
 - Partial reimbursement for previous-year program expenses.
2. Tribal language revitalization grants
 - Competitive grant

**BOTH FUNDED BY/SUBJECT
TO DISCRETE
APPROPRIATIONS**

Funding for Student Characteristics: Disabilities

National

- Nearly all states provide additional funding for students with disabilities or for special education programs.
- 26 states fund students with disabilities using one or more weights applied to the base amount.
- Just 7 states, including Wisconsin, provide this funding primarily in the form of partial reimbursements.

Wisconsin

1. Partial reimbursement for specific kinds of costs associated with educating children with disabilities
2. Supplemental aid only for small, property-poor school districts with high special education costs
3. High-cost aid for districts serving students with individual costs exceeding \$30,000

**ALL FUNDED BY/SUBJECT TO
DISCRETE APPROPRIATIONS**

Funding for Special Instruction: Gifted

National

- 32 states provide additional funding for gifted education.
- A plurality of states (11) provide funding in an amount correlated with the total enrollment of the district rather than numbers of identified gifted students.
- 5 states, including Wisconsin, provide funding through a competitive grant program.

Wisconsin

- Competitive grant to fund approved gifted and talented activities and the training needed to provide them
 - Up to \$30,000 per district, nonprofit organization, or other recipient
 - \$237,200 available statewide in FY2018

**FUNDED BY/SUBJECT TO
DISCRETE APPROPRIATION**

Funding for Special Instruction: Career and Technical Education

National

- Nearly all states provide additional funding for career and technical education programs.
- 24 states, including Wisconsin, provide this funding in dollar amounts that are sensitive to the number of students participating in such programs.

Wisconsin

- Grant funding per student, based on the number of district students who:
 - Earn approved certifications
 - Graduate with a regular or a technical education high school diploma

**FUNDED BY/SUBJECT TO
DISCRETE APPROPRIATION**

Funding for District Characteristics: Sparsity/Small Size

National

- 34 states provide additional funding for small/remote/sparse schools and districts
- Methods vary significantly: Districts may be guaranteed funding for a set number of students or teachers; have their enrollment or funding inflated using a multiplier or index; or receive increased transportation dollars.

Wisconsin

1. Per-pupil supplement for small, sparse districts
2. Extra transportation aid for sparse, high-cost districts

**BOTH FUNDED BY/SUBJECT TO
DISCRETE APPROPRIATIONS**

Transparency and Clarity of Student-Based Funding



Per-Student Allotment
+ Weighted Funding

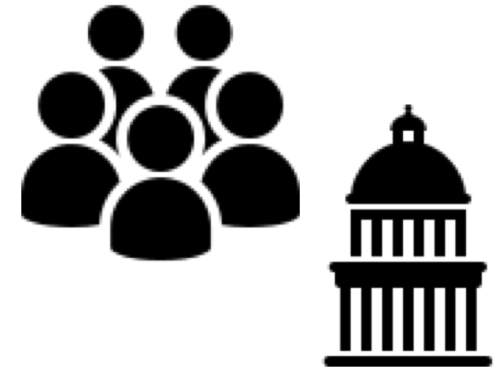
Target Spending



Aligned Reporting
of Actual Spending



Outcomes
Analysis



Broad Understanding,
Accountability, and
Policy Refinement

- Wisconsin's funding formula is unique as the nation's only primarily program-based school funding system.
- Wisconsin provides some form of additional support for key high-need student groups, district characteristics, and special instruction programs, in line with most states—but this support is almost always provided through limited-use grants and can be reduced when appropriations fall short.
- As a result, Wisconsin's school funding system is inflexible, unpredictable, and not well designed to respond to changes in educational conditions.